

just have to express a concern, and that is that we have been going round and round on this issue for a couple of years on venture capital getting involved. I always like the emphasis in this to be on the "S," the Small Business Innovation Research Program, and I worry about getting two venture capital companies involved together on a project. With 500 employees each, you are talking about the equivalent of a company with a thousand employees. How many will fit in this category? For example, even though I have an industrial community, there is no company in my district that would be considered funded by venture capital and that would have that number of employees.

Does this then disadvantage smaller communities like mine? Mine is not that small, a few hundred thousand. But nevertheless, we wouldn't qualify at all in this category.

My concern, if I may express it, and perhaps you can reassure me on this, my concern would be that the money would tend to flow to those areas of the country that have the large venture capital companies, and areas such as Michigan, which as you know is in a one-State repression, would not be able to put together programs that would fit this particular part of it. I am really concerned about keeping all small businesses in every part of the country fully involved in this. I wonder if the gentleman can give me some reassurances or an explanation on this.

Ms. VELÁZQUEZ. Reclaiming my time, Mr. EHLERS, I understand your concern. But I will say that at a time when we are facing an economic crisis in our country where so many small businesses have been impacted because of the lack of access to capital and the credit crunch, this is the time when this amendment makes sense.

We are allowing for small businesses and SBIR companies across the country to have the ability to secure venture capital so they can continue to provide innovation and the new technologies that are so needed in our economy.

I reserve the balance of my time.

Mr. GRAVES. Does the gentlewoman have any more speakers?

Ms. VELÁZQUEZ. We are prepared to accept the amendment, and I yield back the balance of my time.

Mr. GRAVES. Madam Chairman, I would just like to say to Ranking Member EHLERS that this is about small businesses, and we want to make sure that small businesses have the ability to compete, especially when it comes to highly technical fields. In many cases it is extraordinarily hard to get the capital that they need, and allowing small businesses to take advantage of venture capital companies is the way. But it is my every intention to direct this completely to small businesses.

Again, I appreciate the concerns and I very much thank the chairwoman and Ranking Member CHABOT for working

with me, and encourage my colleagues to support the amendment.

Madam Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. GRAVES).

The amendment was agreed to.

AMENDMENT NO. 7 OFFERED BY MS. MATSUI

The Acting CHAIRMAN. It is now in order to consider amendment No. 7 printed in House Report 110-603.

Ms. MATSUI. Madam Chairman, I have an amendment at the desk.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Ms. MATSUI:

Page 33, line 13, insert "(A)" before "Each".

Page 33, line 17, after "venture capital investment companies," insert "business incubators,".

Page 33, after line 24, insert the following: "(B) DEFINITION.—In this paragraph, the term 'business incubator' means an entity that provides coordinated and specialized services to entrepreneurial businesses which meet selected criteria during the businesses' startup phases, including providing services such as shared office space and office services, access to equipment, access to telecommunications and technology services, flexible leases, specialized management assistance, access to financing, mentoring and training services, or other coordinated business or technical support services designed to provide business development assistance to entrepreneurial businesses during these businesses' startup phases.'".

The Acting CHAIRMAN. Pursuant to House Resolution 1125, the gentlewoman from California (Ms. MATSUI) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from California.

Ms. MATSUI. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, the bill before us today is a good one. I would like to commend Chairwoman VELÁZQUEZ, Chairman GORDON and Chairman WU for their hard work on this timely legislation.

Madam Chairman, in many cities and towns across the country, business incubators provide a valuable service. They help young businesses survive and grow.

They provide guidance, business tools, space, contacts, and the know-how to run a company. Incubators can dramatically increase the success of new companies. Across the United States, incubators have already nurtured tens of thousands of new companies to great success. Their efforts have helped grow our economy and create both jobs and profit.

In these challenging economic times, a good idea is often not enough to guarantee success. Many young companies need further business expertise in order to avoid failing.

In my hometown of Sacramento, the CleanStart incubator is helping grow a

whole suite of clean energy companies. These businesses are developing the cutting-edge technologies that will power our economy and protect our environment in the future.

However, many businesses receiving SBIR grants devote most of their capital to research. This leaves little left over for business development. These are the type of businesses that can benefit most from the services provided by incubators.

My amendment ensures that SBIR dollars will continue to work with incubators across the country to drive economic development. It will allow incubators to do what they do best, translate good research conducted by small businesses into commercial technologies that create jobs and economic growth. I urge all Members to support this commonsense amendment.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Madam Chairman, while not opposed to the amendment, I ask unanimous consent to claim the time in opposition.

The Acting CHAIRMAN. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. VELÁZQUEZ. I thank the gentlewoman from California for her amendment and her efforts to improve this bill. H.R. 5819 directs Federal agencies to establish initiatives by which agencies encourage partnerships between SBIR awardees and prime contractors, venture capital firms and larger businesses. The purpose of these partnerships is to help awardees progress toward phase III of the SBIR program.

The amendment highlights the significant role that business incubators can play for small firms as they work to commercialize their research. It is completely appropriate for Federal agencies to acknowledge business incubators as valuable partners with SBIR awardees.

I yield to the gentleman from Missouri for any comments he may have.

Mr. GRAVES. Madam Chairman, we don't have any problems with the amendment. I urge my colleagues to support it.

Ms. VELÁZQUEZ. Madam Chairman, we are prepared to accept the amendment, and I yield back the balance of my time.

Ms. MATSUI. Madam Chairman, my amendment complements the goals of today's legislation by helping to ensure that taxpayer-funded research is maximized. I urge my colleagues to support this amendment.

I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentlewoman from California (Ms. MATSUI).

The amendment was agreed to.

AMENDMENT NO. 8 OFFERED BY MS. SUTTON

The Acting CHAIRMAN. It is now in order to consider amendment No. 8 printed in House Report 110-603.

Ms. SUTTON. Madam Chairman, I have an amendment at the desk.